



Canadian Teachers' Federation

Fédération canadienne des enseignantes et des enseignants

March 27, 2009

Hon. Jim Flaherty, P.C., M.P.
Minister of Finance
L'Esplanade Laurier, East Tower, 21st Floor
140 O'Connor Street
Ottawa ON K1A 0G5

Dear Minister Flaherty:

The Canadian Teachers' Federation (CTF) is pleased that the federal government is undertaking consultations designed to strengthen the legislative and regulatory framework for private pension plans subject to the *Pension Benefits Standards Act*, 1985.

The Federation speaks for 200,000 teachers in Canada as their national voice on education and related social issues. CTF membership includes teacher organizations across Canada.

Our Members feel very strongly about the importance of defined benefit pension plans. The preamble to CTF policy on pensions states: "The Canadian Teachers' Federation Policy on Pensions is based on strong support of defined-benefit, occupational pension plans. We believe that occupational retirement income plans should be guaranteed to all Canadian employees and that no employer should have the right to unilaterally modify, eliminate or deny access to such benefits."

Delegates at a recent CTF AGM, directed CTF to urge federal and provincial/territorial governments to endorse and support the growth and continued existence of defined benefit pension plans and further, to enact legislation to require every employer to participate in a universal defined benefit pension plan for employees.

We have the same concerns as others with the current economic downturn and the effect it is having on pension funding. We believe that steps should be taken to help alleviate some of the funding difficulties we are currently encountering, but not at the risk of reducing the protection of pension benefits for plan members.

We also support the contention of many experts and commentators that the surplus threshold be raised in order to permit plans to carry a larger surplus "cushion" that would help protect against market downturns and reduce the risk of funding deficiencies.

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These consultations are extremely important and timely. We hope that our comments have been helpful and remain available to meet to discuss the issues with you or representatives of your offices in greater detail.

Sincerely

A handwritten signature in cursive script that reads "J. Emily Noble". The signature is written in black ink and is positioned above the printed name and title.

Emily Noble
CTF President